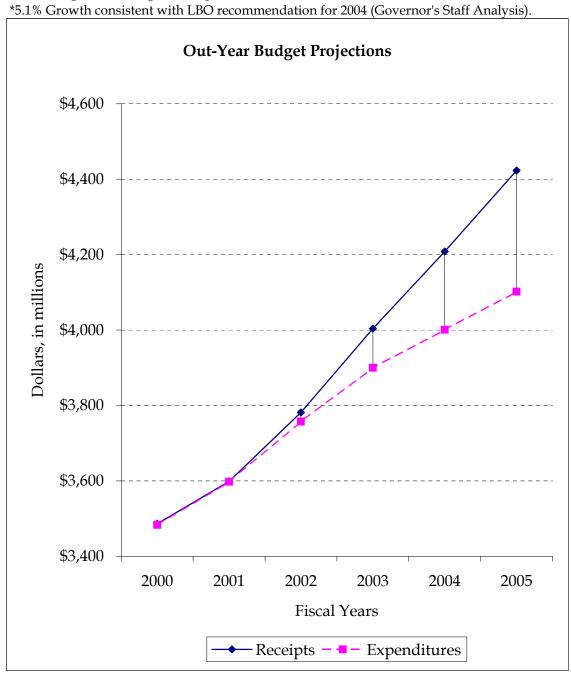
Out-Year Budget Plan, in millions

	Fi	scal Years										
		2000		2001		2002		2003		2004		2005*
Receipts	\$	3,486.20	\$3	,598.50	\$3,	781.30	\$4	4,003.90	\$4	,208.30	\$4	1,422.92
Expenditures		(3,483.30)	(3	,597.90)	(3,	757.10)	(3	3,899.70)	(4	(08.000,	(4	1,101.90)
Projected Discretionary	\$	2.90	\$	0.60	\$	24.20	\$	104.20	\$	207.50	\$	321.02

Source: Legislative Budget Book, p. 11.



	2000	2001	2002	2003	2004	2005
Receipts	\$3,486.20	\$3,598.50	\$3,781.30	\$4,003.90	\$4,208.30	\$4,422.92
Expenditu	3,483.30	3,597.90	3,757.10	3,899.70	4,000.80	4,101.90

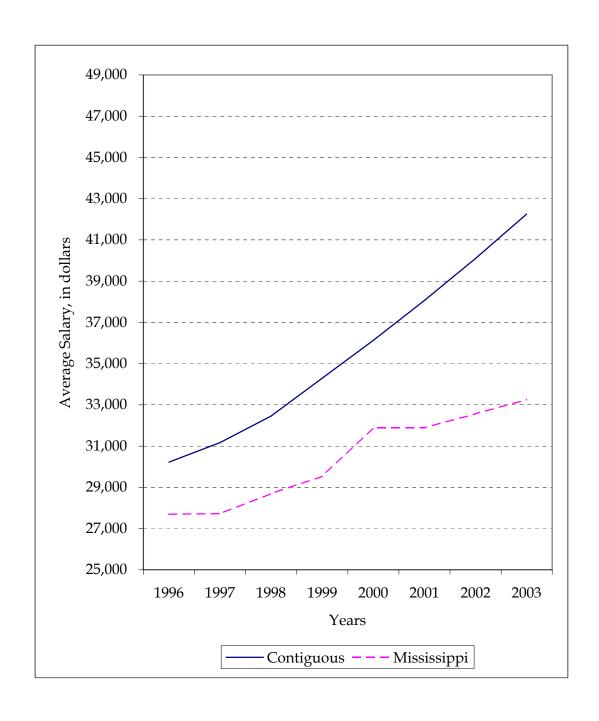
Average Teacher Salaries, Mississippi and Contiguous States, 1996-2003

_				Actual			P	rojected
School Year Ending	1996	1997	1998	1999	2000	2001	2002	2003
Contiguous	30,220	31,165	32,460	34,295	36,130	38,063	40,100	42,245
Mississippi	27,689	27,720	28,692	29,530	31,892	31,892	32,566	33,254
Cont. Proj. Growth		3.03%	3.99%	5.35%	4.12%	AVG		
MS Projected Growt	h	0.11%	3.39%	2.84%	8.00%	2.11%	AVG w/	o 8.0%
DIFFERENCE	2,531	3,445	3,768	4,765	4,238	6,171	7,534	8,991

Sources:

Southern Regional Education Board, 1996-1999.

Governor's Staff Analysis Projections, 2000-2003.



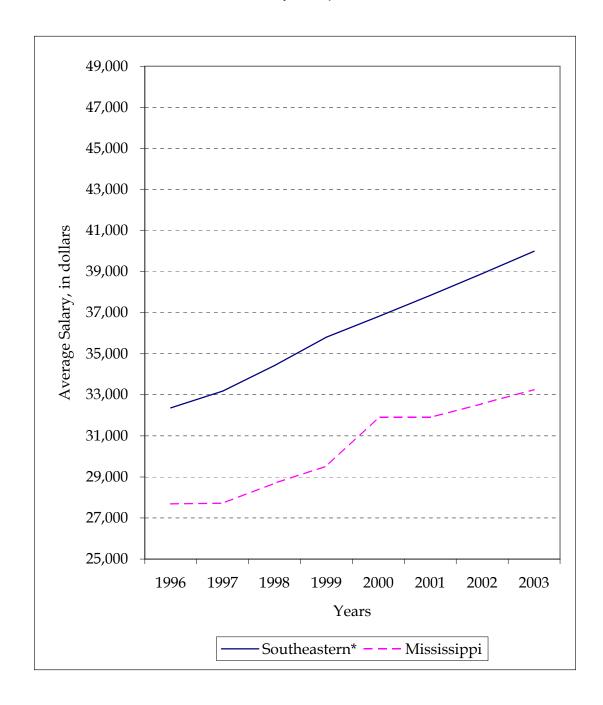
Average Teacher Salaries, Mississippi and Southeastern States, 1996-2003

			Actual			Р	rojected
1996	1997	1998	1999	2000	2001	2002	2003
32,366	33,182	34,425	35,808	36,811	37,841	38,901	39,990
27,689	27,720	28,692	29,530	31,892	31,892	32,566	33,254
	2.46%	3.61%	3.86%	2.80%	Assump	tion	
			_	3.31%	Average	Historica	al Trend
4,677	5,462	5 ,7 33	6,278	4,918	5,949	6,335	6,736
	32,366 27,689	32,366 33,182 27,689 27,720 2.46%	32,366 33,182 34,425 27,689 27,720 28,692 2.46% 3.61%	1996 1997 1998 1999 32,366 33,182 34,425 35,808 27,689 27,720 28,692 29,530 2.46% 3.61% 3.86%	1996 1997 1998 1999 2000 32,366 33,182 34,425 35,808 36,811 27,689 27,720 28,692 29,530 31,892 2.46% 3.61% 3.86% 2.80% 3.31%	1996 1997 1998 1999 2000 2001 32,366 33,182 34,425 35,808 36,811 37,841 27,689 27,720 28,692 29,530 31,892 31,892 2.46% 3.61% 3.86% 2.80% Assumption 3.31% Average	1996 1997 1998 1999 2000 2001 2002 32,366 33,182 34,425 35,808 36,811 37,841 38,901 27,689 27,720 28,692 29,530 31,892 31,892 32,566 2.46% 3.61% 3.86% 2.80% Assumption 3.31% Average Historical

^{*}AL, AR, DL, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, VA, WV

Sources: Southern Regional Education Board, 1996-1999.

Governor's Staff Analysis Projections, 2000-2003.



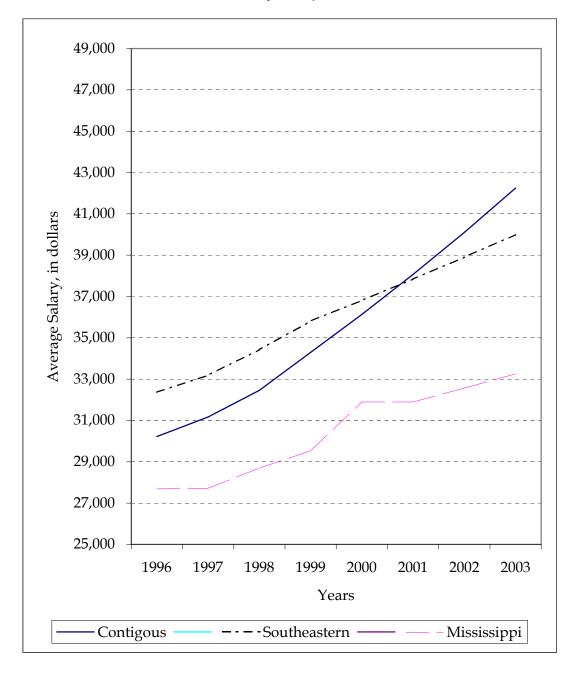
Average Teacher Salaries, Mississippi and United States, 1996-2003

				Actual			I	Projected
	1996	1997	1998	1999	2000	2001	2002	2003
Contigous	30,220	31,165	32,460	34,295	36,130	38,063	40,100	42,245
Southeastern	32,366	33,182	34,425	35,808	36,811	37,841	38,901	39,990
		3.03%	3.99%	5.35%	4.12%	Avg. of 0	Contiguo	us States
Mississippi	27,689	27,720	28,692	29,530	31,892	31,892	32,566	33,254
DIFFERENCE	2,531	3,445	3,768	4,765	4,238	6,171	7,534	8,991
	TIC D		C = 1		1.0		1	C+ +! +!

Sources:

U.S. Department of Education, National Center for Education Statistics for US Projections.

Southern Regional Education Board, 1996-1999. Governor's Staff Analysis Projections, 2000-2003.



Musgrove Teacher Pay Raise Priority Plan

				Actual					Р	rojected
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Southeastern*	32,366	33,182	34,425	35,808	36,811	37,841	38,901	39,990	40,590	41,199
Mississippi	27,689	27,720	28,692	29,530	31,892	31,892	32,627	35,567	38,506	41,445
	,	•	•	•	•	•	•	•	,	_

4,918

5,949

6,274

4,424

2,084

(246)

6,278

*AL, AR, DL, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, VA, WV

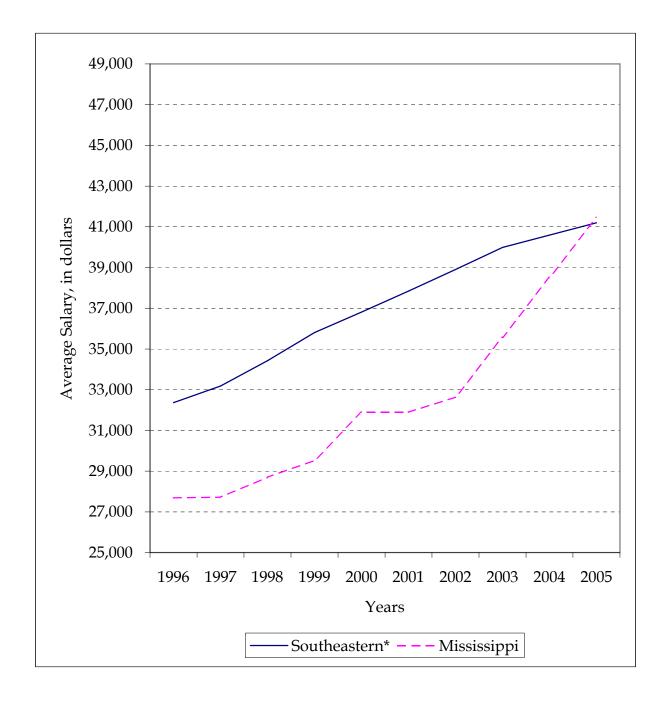
5,733

Sources: Southern Regional Education Board, 1996-1999. Governor's Staff Analysis Projections, 2000-2003.

5,462

4,677

DIFFERENCE



1996 1997 1998 1999 United Sta 37,794 38,509 39,454 40,582 41,617 42,788 44,159 45,499 0.01857 0.02395 0.0278 2.34%

Musgrove Teacher Pay Plan, as proposed 3/15/00

Musgrove Teacher Pay Raise Priority Plan

				Actual	No	Action			P	rojected
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Southeastern*	32,366	33,182	34,425	35,808	36,811	37,841	38,901	39,990	40,590	41,199
Mississippi	27,689	27,720	28,692	29,530	31,892	31,892	32,627	35,567	38,506	41,445
DIFFERENCE	4,677	5,462	5,733	6,278	4,918	5,949	6,274	4,424	2,084	(246)

30.0%

*AL, AR, DL, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, VA, WV

Sources: Southern Regional Education Board, 1996-1999.

Governor's Staff Analysis Projections, 2000-2003.

Unproposed Alternatives to the Proposed Plan

Musgrove Teacher Pay Plan, Alternative #1 (Five-Year Plan)

				Actual	No	Action				P	rojected
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Southeastern*	32,366	33,182	34,425	35,808	36,811	37,841	38,901	39,990	40,590	41,199	42,352
Mississippi	27,689	27,720	28,692	29,530	31,892	31,892	32,627	34,899	37,504	40,109	42,714
DIFFERENCE	4,677	5,462	5,733	6,278	4,918	5,949	6,274	5,092	3,086	1,090	(362)

*AL, AR, DL, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, VA, WV

Sources: Southern Regional Education Board, 1996-1999. Governor's Staff Analysis Projections, 2000-2003.

Musgrove Teacher Pay Plan, Alternative #2 (Four-Year Plan)

				Actual	No	Action			P	rojected
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Southeastern*	32,366	33,182	34,425	35,808	36,811	37,841	38,901	39,990	40,590	41,199
Mississippi	27,689	27,720	28,692	29,530	31,892	31,892	32,627	34,899	37,838	41,245
DIFFERENCE	4,677	5,462	5,733	6,278	4,918	5,949	6,274	5,092	2,752	(46)

*AL, AR, DL, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, VA, WV Sources: Southern Regional Education Board, 1996-1999. Governor's Staff Analysis Projections, 2000-2003. Worksheet for Musgrove Teacher Pay Raise Priority Plan, as Proposed 3/15/00

VV	orksneet for Musgi	ove Teacher Pay	Kaise Priority	Pian, as Propose	a 3/15/00	
Leş	gislative Sessions			Projec	cted Increases	
	2000	2001	2002	2003	2004	2005
Proposed Increase	-	22,000,000	88,000,000	88,000,000	88,000,000	
Average Pay Increase	-	734.83	2,939.31	2,939.31	2,939.31	1,371.83
Total Avg. Pay	31,892.40	31,892.40	32,627.23	35,566.54	38,505.85	41,445.16
Note: Increases appropri	iated during the 200	01 Session will no	ot take effect unt	il 2001-2002 scho	ol year.	
	2000	Sc	outheastern Ave	rage Increase		3.31%
Feachers, Total Num	29939	G	rowth Assumpti	on (MS vs. SE)		2.80%
Fotal Teacher Pay	954,826,563.60					
Average Teacher Pav	31,892.40					

Worksheet for Musgrove Teacher Pay Plan, Alternative #1 (Five-Year Plan)

		rronnoneer		g										
	Legisla	ative Sessions								Pro	ject	ed Increases		
		2000		2001		2002		2003		2004		2005	2006	
Proposed Increase	\$	-	\$	22,000,000	\$	68,000,000	\$	78,000,000	\$	78,000,000	\$	78,000,000		\$ 32
Average Pay Increa	se \$	-	\$	734.83	\$	2,271.28	\$	2,605.30	\$	2,605.30	\$	2,605.30		
Total Avg. Pay	\$	31,892.40	\$	31,892.40	\$	32,627.23	\$	34,898.51	\$	37,503.81	\$	40,109.11	\$42,714.40	
Note: Increases app	ropriate	d during the 2	2001	Session will	no	take effect u	ntil	2001-2002 sc	hoo	l year.				
		2000					So	utheastern A	vera	ge Increase			3.31%	
Teachers, Total Nur	n	29939					Gr	owth Assum	otio	n (MS vs. SE)			2.80%	
Total Teacher Pay	95	54,826,563.60												
Average Teacher Pa	v	31,892.40												

Worksheet for Musgrove Teacher Pay Plan, Alternative #2 (Four-Year Plan)

L	egislative Sessions								Pro	ject	ed Increases
	2000		2001		2002		2003		2004		2005
Proposed Increase S	\$ -	\$	22,000,000	\$	68,000,000	\$	88,000,000	\$	102,000,000		
Average Pay Increase S	\$ -	\$	734.83	\$	2,271.28	\$	2,939.31	\$	3,406.93	\$	-
Total Avg. Pay	\$ 31,892.40	\$	31,892.40	\$	32,627.23	\$	34,898.51	\$	37,837.82	\$	41,244.75
Note: Increases approp	oriated during the 2	2001	Session will	no	t take effect u	ntil	2001-2002 sc	hoc	ol year.		
	2000					So	utheastern Av	era	age Increase		3.31%
Teachers, Total Num	29939					Gr	owth Assum _l	otic	n (MS vs. SE)		2.80%
Total Teacher Pay	954,826,563.60										
Average Teacher Pay	31,892.40										

Legislative Budget Committee Revenue Estimates (in millions)

	2001	2002	2003	2004	2005
FY02 Proj. Funds Available Over Built-Ins	24.0	24.0	24.0	24.0	24.0
Musgrove Teacher Pay Plan, as proposed 3/15/0	2.0	2.0	2.0	2.0	2.0
FY03 Proj. Funds Available Over Built-Ins		80.0	80.0	80.0	80.0
Musgrove Teacher Pay Plan, as proposed 3/15/00		(8.0)	(8.0)	(8.0)	(8.0)
FY04 Proj. Funds Available Over Built-Ins			100.0	100.0	100.0
Musgrove Teacher Pay Plan, as proposed 3/15/00			12.0	12.0	12.0
FY05 Proj. Funds Available Over Built-Ins*				117.0	117.0
Musgrove Teacher Pay Plan, as proposed 3/15/00				29.0	29.0
*C Office Cteff A 1 - in					

*Governor's Office Staff Analysis

Legislative Budget Committee Revenue Estimates (in millions)

	2001	2002	2003	2004	2005
FY02 Proj. Funds Available Over Built-Ins	24.0	24.0	24.0	24.0	24.0
Musgrove Teacher Pay Plan, Alternative #1 (Five-	2.0	2.0	2.0	2.0	2.0
FY03 Proj. Funds Available Over Built-Ins		80.0	80.0	80.0	80.0
Musgrove Teacher Pay Plan, Alternative #1 (Five-Y	ear Pla	12.0	12.0	12.0	12.0
FY04 Proj. Funds Available Over Built-Ins			100.0	100.0	100.0
Musgrove Teacher Pay Plan, Alternative #1 (Five-Ye	ear Plan)		22.0	22.0	22.0
FY05 Proj. Funds Available Over Built-Ins*				117.0	117.0
Musgrove Teacher Pay Plan, Alternative #1 (Five-Y	ear Plan)			39.0	39.0

*Governor's Office Staff Analysis

\$ 280,000,000

Legislative Budget Committee Revenue Estimates (in millions)

	2001	2002	2003	2004	2005
FY02 Proj. Funds Available Over Built-Ins	24.0	24.0	24.0	24.0	24.0
Musgrove Teacher Pay Plan, Alternative #2 (Four	2.0	2.0	2.0	2.0	2.0
FY03 Proj. Funds Available Over Built-Ins		80.0	80.0	80.0	80.0
Musgrove Teacher Pay Plan, Alternative #2 (Four-	∕ear Pla	12.0	12.0	12.0	12.0
FY04 Proj. Funds Available Over Built-Ins			100.0	100.0	100.0
Musgrove Teacher Pay Plan, Alternative #2 (Four-	Year Plai	n)	22.0	22.0	22.0
FY05 Proj. Funds Available Over Built-Ins*				117.0	117.0
Musgrove Teacher Pay Plan, Alternative #2 (Four-	Year Plai	n)		39.0	39.0

*Governor's Office Staff Analysis

All Things Const	ant			ĺ	All Things Being	Equal								
Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	School Year	Ending		
# of teachers	29202	29245	29574	29939	29939	29939	29939	29939	29939	29939	Number of	Teachers		
		0.15%	1.11%	1.22%										
			A	Avg. Teacher Growth	0.83%	Proposed Increase	22000000	88000000	88000000	88000000	Annual Incr	eases		
Total Pay	808,574,178.00	810,671,400.00	848,537,208.00	884,098,670.00	954,826,563.60	954,826,563.60	976,826,563.60	1,064,826,563.60	1,152,826,563.60	1,240,826,563.60	Total Teach	er Pay		
		0.1470%	1.1125%	1.2191%	31,892.40	31,892.40	32,627.23	35,566.54	38,505.85	41,445.16	Average Tea	acher Pay		
			Avg. Pay Growt	0.8262%			6278	29,939,000.00						
					187,957,042.000	194,159,624.39	200,566,891.99	207,185,599.43	214,022,724.21	221,085,474.11				
							178,566,891.99	184,459,599.43	190,546,766.21	196,834,809.49				
								96,459,599.43	99,642,766.21	102,930,977.49				
									11,642,766.21	12,026,977.49				
										(75,973,022.51)				
					1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
			9	Southeastern	32,366	33,182	34,425	35,808	36,811	37,841	38,901	39,990	41,110	42,261
			N	Mississippi	27,689	27,720	28,692	29,530	31892.40	31892.40	32627.23	35566.54	38505.85	41445.16
Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005				
# of teachers														
II of teachers	29202		29574	29939	30186		30687	30941	31196	31454				
		29245 0.15%	29574		30186	30436	30687	30941	31196	31454				
Proposed Increas	se	0.15%	29574 1.11%	29939 1.22%	30186 0.83%	30436	30687 22000000	30941 88000000	31196 88000000	31454 88000000				
	se	0.15% 810,671,400.00	29574 1.11% 848,537,208.00	29939 1.22% 884,098,670.00	30186 0.83% 954,826,563.60	30436 954,826,563.60	30687 22000000 976,826,563.60	30941 88000000 1,064,826,563.60	31196 88000000 1,152,826,563.60	31454 88000000 1,240,826,563.60				
Proposed Increas	se	0.15%	29574 1.11%	29939 1.22%	30186 0.83%	30436	30687 22000000 976,826,563.60 31831.70	30941 88000000 1,064,826,563.60 34415.00	31196 88000000	31454 88000000				
Proposed Increas	se	0.15% 810,671,400.00	29574 1.11% 848,537,208.00	29939 1.22% 884,098,670.00	30186 0.83% 954,826,563.60 0.8262%	30436 954,826,563.60 31371.86	30687 22000000 976,826,563.60 31831.70 6278	30941 88000000 1,064,826,563.60 34415.00 30,940,771.25	31196 88000000 1,152,826,563.60 36953.82	31454 88000000 1,240,826,563.60 39448.73				
Proposed Increas	se	0.15% 810,671,400.00	29574 1.11% 848,537,208.00	29939 1.22% 884,098,670.00	30186 0.83% 954,826,563.60	30436 954,826,563.60	22000000 976,826,563.60 31831.70 6278 207,277,942.64	30941 88000000 1,064,826,563.60 34415.00 30,940,771.25 214,118,114.75	31196 88000000 1,152,826,563.60	31454 88000000 1,240,826,563.60				
Proposed Increas	se	0.15% 810,671,400.00	29574 1.11% 848,537,208.00	29939 1.22% 884,098,670.00	30186 0.83% 954,826,563.60 0.8262%	30436 954,826,563.60 31371.86	30687 22000000 976,826,563.60 31831.70 6278	30941 88000000 1,064,826,563.60 34415.00 30,940,771.25	31196 88000000 1,152,826,563.60 36953.82	31454 88000000 1,240,826,563.60 39448.73				
Proposed Increas	se	0.15% 810,671,400.00	29574 1.11% 848,537,208.00	29939 1.22% 884,098,670.00	30186 0.83% 954,826,563.60 0.8262%	30436 954,826,563.60 31371.86	22000000 976,826,563.60 31831.70 6278 207,277,942.64	30941 88000000 1,064,826,563.60 34415.00 30,940,771.25 214,118,114.75	31196 88000000 1,152,826,563.60 36953.82 221,184,012.54	88000000 1,240,826,563.60 39448.73 228,483,084.95				
Proposed Increas	se	0.15% 810,671,400.00	29574 1.11% 848,537,208.00	29939 1.22% 884,098,670.00	30186 0.83% 954,826,563.60 0.8262%	30436 954,826,563.60 31371.86	22000000 976,826,563.60 31831.70 6278 207,277,942.64	88000000 1,064,826,563.60 34415.00 30,940,771.25 214,118,114.75 191,392,114.75	31196 88000000 1,152,826,563.60 36953.82 221,184,012.54 197,708,054.54	88000000 1,240,826,563.60 39448.73 228,483,084.95 204,232,420.34				
Proposed Increas	se	0.15% 810,671,400.00	29574 1.11% 848,537,208.00 1.1125%	29939 1.22% 884,098,670.00	30186 0.83% 954,826,563.60 0.8262% 194,246,161.889	30436 954,826,563.60 31371.86	22000000 976,826,563.60 31831.70 6278 207,277,942.64	88000000 1,064,826,563.60 34415.00 30,940,771.25 214,118,114.75 191,392,114.75	31196 88000000 1,152,826,563.60 36953.82 221,184,012.54 197,708,054.54 106,804,054.54	88000000 1,240,826,563.60 39448.73 228,483,084.95 204,232,420.34 110,328,588.34				
Proposed Increas	se	0.15% 810,671,400.00	29574 1.11% 848,537,208.00 1.1125%	29939 1.22% 884,098,670.00 1.2191%	30186 0.83% 954,826,563.60 0.8262% 194,246,161.889	30436 954,826,563.60 31371.86 200,656,285.23	22000000 976,826,563.60 31831.70 6278 207,277,942.64	88000000 1,064,826,563.60 34415.00 30,940,771.25 214,118,114.75 191,392,114.75	31196 88000000 1,152,826,563.60 36953.82 221,184,012.54 197,708,054.54 106,804,054.54	88000000 1,240,826,563.60 39448.73 228,483,084.95 204,232,420.34 110,328,588.34 19,424,588.34	2002	2003	2004	2005
Proposed Increas	se	0.15% 810,671,400.00	29574 1.11% 848,537,208.00 1.1125%	29939 1.22% 884,098,670.00 1.2191%	30186 0.83% 954,826,563.60 0.8262% 194,246,161.889	30436 954,826,563.60 31371.86 200,656,285.23	22000000 976,826,563.60 31831.70 6278 207,277,942.64 185,277,942.64	88000000 1,064,826,563.60 34415.00 30,940,771.25 214,118,114.75 191,392,114.75 103,392,114.75	31196 88000000 1,152,826,563.60 36953.82 221,184,012.54 197,708,054.54 106,804,054.54 18,804,054.54	88000000 1,240,826,563.60 39448.73 228,483,084.95 204,232,420.34 110,328,588.34 19,424,588.34 (68,575,411.66)	2002 37,134	2003 37,586	2004 38,045	2005 38,508

